

Statement

Insurance Association of Connecticut

Insurance and Real Estate Committee

February 18, 2014

SB 6, An Act Concerning Disclosures For Universal Life Insurance Policies

The Insurance Association of Connecticut (IAC) has concerns with SB 6, An Act Concerning Disclosures For Universal Life Insurance Policies, which would require insurers to print a specific notice on the cover of universal life insurance policies concerning the possibility of premium increases on the policy.

Such a notice is unnecessary, as that information is already provided in the policy and would be redundant. Disclosure is provided in a number of other places, including policy illustrations. In addition, annual statements are provided which disclose any actual rate increases.

The content of the illustrations must comply with Connecticut regulatory requirements (Connecticut Regulation 38a-819-62), and clearly disclose that rates, charges, and credited interest can and do change. Consumers can request in-force illustrations at any time that depict the impact of such policy changes.

The notice specified in SB 6 would certainly not be appropriate for a single-premium universal life policy.

SB 6 will force life insurers to incur unnecessary administrative costs due to resulting filing, system update and implementation requirements.

IAC respectfully requests that the Insurance Committee take no action on SB 6.